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UNCLAS AMMAN 006444

SIPDIS

SENSITIVE

ROME FOR CASLO USDOC/4520/ITA/MAC/ONE/COBERG

E.O. 12958: N/A TAGS: <u>EAIR AMGT</u> <u>JO</u>

SUBJECT: DELTA DISCUSSES CODESHARING WITH ROYAL JORDANIAN

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- 11. (SBU) Summary. A Delta sales executive left Amman this week saying that he was prepared to make a positive presentation to Delta President Fred Reid on codesharing for Royal Jordanian's new non-stop Amman-New York service. He asked RJ to provide detailed projections of passenger and cargo loads to support such a case, which would include projections of potential USG travel. Delta is also working with Air France to improve the quality of service on their current codeshare between Paris and Amman, which is heavily used by U.S. government travelers and has been plagued by problems with lost and delayed luggage. End Summary.
- 12. (SBU) Jimmy Eichelgruen, Delta Airline's London-based GSA sales manager for Europe, the Middle East and Africa, was in Amman on October 29 for meetings with Royal Jordanian Airlines (RJ). The main subject was RJ's requests for a codeshare arrangement with Delta. Eichelgruen came with the message that given the financial difficulties the U.S. airline is currently facing, Delta saw this as a time for consolidation, not new ventures. He added that Delta was willing to look at improvements in its existing interline agreement with Royal Jordanian, short of a full-fledge codeshare agreement.
- 13. (SBU) Eichelgruen's meeting with RJ CEO Samer al-Majali seemed, however, to make progress toward a codeshare arrangement. Majali described the advantages that would accrue to Delta of RJ's plans to expand its role as an aviation hub for the Levant countries, using a new fleet of long and short range jets. In addition, Majali argued that RJ's new non-stop Amman-New York service, for which Delta currently provides ground services at its JFK terminal, would be a natural feeder for domestic Delta flights in the United States. He highlighted what he called the poor quality of current service to Amman by European carriers.
- 14. (SBU) Eichelgruen told Majali that the fact that Delta currently codeshares with Air France between Paris and Amman would not be inconsistent with a possible codeshare with RJ to the United States. He asked Majali and his staff to provide more detailed information on projected passenger and cargo traffic that he could use to make what he said would be a presentation with a positive recommendation to Delta President Fred Reid. Eichelgruen said that projected revenues from U.S. government travel to Jordan and to the region should be part of that presentation. He asked for the Embassy's help in estimating the amount of such travel.
- 15. (SBU) Eichelgrun also met with Ambassador Gnehm and embassy staff. We reviewed the embassy's unhappiness with the level of service on the current Air France/Delta codeshare flight to Amman, in particular chronic problems with lost and delayed luggage. Eichelgrun said that Delta was unhappy with this aspect of its relationship with Air France and had let Air France know it. He said transfer problems at Charles de Gaulle airport were hurting all of Delta's business in the Middle East region. Delta and Air France were currently working to address the multiple causes for the problems at CDG.
- 16. (SBU) The Ambassador also highlighted our interest in seeing RJ find a codeshare arrangement with a U.S. airline for the non-stop Amman-New York service. This would be a vehicle for the growing business travel and air cargo traffic under the various bilateral trade initiatives, as well as a concrete symbol of closeness of the bilateral relationship. GNEHM